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# UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

## FIRST COUNTRY COOPERATION FRAMEWORK FOR THE DOMINICAN REPUBLIC (1997-2001)

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Note: Most of the socio-demographic figures and indexes have been taken from the Human Development Report 1997.

## INTRODUCTION

1. This cooperation framework for the Dominican Republic briefly describes the nature, approach and financial contribution of UNDP cooperation with the Dominican Republic. The Dominican Government recognizes that the UNDP cooperation outlined in the advisory note on the programme is compatible with its national priorities of: (a) poverty eradication; (b) job creation and promotion of sustainable incomes; (c) environmental protection and restoration; and (d) advancement of women. These priorities were established during the dialogue with the Dominican Republic which was begun over five years ago.

2. The current cooperation framework will cover the period from 1997 to 2001 and will be consistent with the programmes of other United Nations agencies present in the country. The Government will thus be better able to ensure the coordination of external cooperation and, consequently, of the contribution of such cooperation to national development.

## I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The Dominican Republic is a small country (48,400 $km^2$), with a population of nearly 7.8 million and a per capita gross domestic product of US$ 1,393 in 1994. Over the past 30 years, the country has experienced a marked trend towards greater urbanization, which has led to excessive concentration in urban areas. It is estimated that two thirds of the population lives in cities. The level of unemployment in recent years has been between 15 per cent and 20 per cent of the economically active population. The creation of additional jobs is therefore a key objective of the Government. It should be noted that data on health, nutrition, access to basic services and education give the Dominican Republic a human development index (HDI) of 0.718 (based on 1994 data), ranking it eighty-seventh out of a total of 175 countries. Moreover, income distribution is highly uneven. In 1992, the share of national income of the poorest 20 per cent of the population was barely 4.4 per cent, while that of the richest 20 per cent was 57.2 per cent, or 13 times greater.

4. Fifty-seven per cent of the population of the Dominican Republic lives below the poverty line. Few of these have benefited from formal education of any kind. Poverty is even more widespread in rural areas, where 40 per cent of the infant population suffers from malnutrition. The situation is compounded by the country's high rate of deforestation, which reduces the rate of sustainable economic growth. The incidence of poverty among children under the age of 12 is higher than the corresponding rate for the population as a whole. Although the country's human poverty index is 18.3 per cent, which ranks it twentieth out of a total of 78 developing countries, the data referred to above indicate that the national averages conceal huge disparities between a small group of the economically well-off and the vast majority that is still poor. Health and education services must be significantly upgraded if these social indicators are to be improved. The infant mortality rate is 38 per thousand live births and the under-five mortality rate is 44 per thousand live births. The national average of the population with access to drinking water is 65 per cent, but this

percentage is considerably lower in rural and frontier areas. Nearly one out of every five Dominicans (18.5 per cent) is illiterate.

5. Even though almost half of the Dominican population is female, their social and economic status is not consistent with the proportion of the total population which they represent. From the economic point of view, women earn less than men for performing the same job, a situation which reveals the existence of gender discrimination in the labour market. There is also evidence of discrimination in job training. All of this leads to greater poverty in female-headed households, particularly in rural areas. The Human Development Report 1997 ranks the country seventy-fifth out of 175 countries in its gender development index (GDI).

6. In the light of these circumstances, the current Government, with the support of organizations representing civil society, proposes to implement a strategy aimed at eradicating poverty, which will be supported by UNDP under the 1997-2001 programme. Given the experience of UNDP in the implementation of the economic reforms for which it provided support during the fifth cycle, and its contribution to the elaboration of an optimum strategy for social reform, the authorities consider UNDP cooperation to be an important factor for achieving a reduction in poverty, in the context of sustainable human development.

## II. RESULTS AND LESSONS OF PAST COOPERATION

7. UNDP cooperation during the fifth programme, 1992-1996, was geared to the strategic objectives of the Government: (a) to improve and modernize public policy management; (b) to assign an active and leading role to the private sector in the development process; (c) to speed up the human development process; and (d) to apply the society/nature theorem to the sustainable development of natural resources. As a result, the areas in which UNDP provided cooperation during the fifth programme were: (a) implementation of economic reforms; (b) restructuring of production sectors; (c) human development and management of social sectors; and (d) management of environmental strategy.

### A. Results

8. The mid-term review carried out in June 1995 revealed the success of the fifth programme, which mobilized $41.9 million. In the review, the Dominican Government confirmed that the programme's objectives had been met and recommended that it should be continued without modification. It also recognized that the achievement of these objectives had led to improvements in the level of well-being of Dominicans. Moreover, the national execution modality used in 63 per cent of the projects (95 per cent in monetary terms) had resulted in a significant increase in the institutional capacity of the public sector and of non-governmental organizations (NGOs). This ensures that the transfer of know-how resulting from UNDP cooperation will be sustainable.

9. Through the reforms which it supported, UNDP cooperation under the fifth programme led to an increase in social spending (education and health), greater access to goods and an increase in the disposable income of low-income persons,

the institutional strengthening of social organizations, closer cooperation between the State, civil society and the private production sector, the formulation of policies for the advancement of women and the protection of the environment. UNDP demonstrated a great capacity for allocating its resources efficiently to areas that were vital to the improvement of the living conditions of Dominicans.

### B. Lessons learned

10. The authorities have observed that the Government's budget constraints during the fifth programme reduced the scope of some of the projects funded under the cost-sharing system. The tightness of government resources also had an adverse impact on the turnover of project execution staff and reduced the human capital absorption rate in government institutions. The Government is seeking to increase the level of its contributions to programme execution in order to increase the degree of sustainability of the programmes. Also, public sector wage increases, which have already been implemented, will contribute to a lower turnover rate. The Government also intends to improve its system for gathering socio-economic data, since it recognizes that the weaknesses of the current system are obstacles to, inter alia, a more accurate assessment of the impact of technical cooperation during the fifth cycle. Finally, the Government recognizes the efficiency of the national execution modality used during the fifth cycle and has declared its intention to continue its implementation.

## III. PROPOSED STRATEGY AND THEMATIC AREAS

### A. Strategy

11. Following discussions between government and UNDP representatives, agreement was reached that, for the period 1997-2001, UNDP actions should be aimed at increasing the country's capacity to combat poverty in a sustainable manner. In this connection, national capacity in the formulation, management and execution of programmes designed to improve the living conditions of all Dominicans must be strengthened. The strategic areas of UNDP cooperation to achieve these objectives are:

(a) Support for the formulation of programmes and projects designed to facilitate the implementation of the Government's anti-poverty programme and its national plan for social development. Likewise, support for and contribution to the fulfilment of the commitments entered into at global conferences;

(b) Mobilization of domestic and external resources for programmes and projects aimed at eradicating poverty, particularly the promotion of sustainable incomes, good governance, State modernization and protection and restoration of the environment;

(c) Promotion of coordination between the multilateral and bilateral donors that cooperate with the country, and strengthening of the role of the Resident Coordinator; the programme cycles of the United Nations Children's Fund

(UNICEF), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and UNDP have already been compatibilized;

(d) Strengthening of national capacity in the coordination and management of technical cooperation; it is proposed to continue with the NaTCAP system (National Technical Cooperation Assessment and Programmes), which will strengthen national institutions concerned with the planning, monitoring and evaluation of the external cooperation which the country receives;

(e) Mainstreaming of the gender perspective wherever feasible;

(f) Continued involvement of the private sector in the process of development and promotion of grass-roots participation, particularly by non-governmental organizations, in the identification, formulation and execution of projects;

(g) Ensuring closer involvement by public officials and officials of other agencies in the formulation, monitoring and evaluation of projects in order to increase the degree of sustainability of external cooperation;

(h) Continued reliance on the programme approach, including participation in the national programme, and integration of individual actions into programmes which have a common framework, in order to ensure better coordination of external cooperation, which should be compatible with the objective of sustainable human development based on national priorities.

## B. Thematic areas

12. The following areas of action have been selected in the light of their contribution to better governance, poverty reduction and the promotion of sustainable human development with broad grass-roots participation, which are fundamental objectives of the Dominican Government. These areas of focus also correspond to the priorities fixed by the civil society, which were proposed and agreed upon in consultation with the main political parties prior to the 1996 elections. Likewise, they will facilitate the fulfilment of the commitments undertaken by the country at global conferences (United Nations Conference on Environment and Development, International Conference on Population and Development, World Summit for Social Development, Fourth World Conference on Women, World Conference on Education for All, World Summit for Children, World Food Summit, World Conference on Human Rights and Second United Nations Conference on Human Settlements (Habitat II)). In addition, the action to be taken, which will include issues related to women, will be consistent with the programme objective of ensuring better coordination and will be executed under the national execution modality, which is considered to be very efficient and useful for the development of institutional capacity. UNDP cooperation in the fifth cycle focused on economic reforms, in particular, given the priority which the Government attaches to halting inflation and the need to pursue a strategy of trade liberalization in conjunction with a programme of tax reform that is consistent with economic liberalization. Since the current Government has placed priority on the fight against poverty, UNDP will concentrate its

resources on programmes that provide direct support for government actions in favour of sustainable human development.

13. The Dominican Government intends to continue to promote equitable distribution of the benefits of economic growth while at the same time ensuring the protection and restoration of the environment by empowering people, particularly the most vulnerable sectors (the poor, women, children and the elderly). The Dominican Republic could draw some very useful lessons from the national and international experience of UNDP in this field.

### C. Promotion of democratic governance

14. Sustainable human development and, within this framework, the promotion of democratic governance, require the modernization of State institutions. Of key importance in this connection is the cooperation of UNDP in the launching of the Presidential Commission on State Reform and Modernization, which should propose, coordinate and follow up the required reforms or those that are already under way. With UNDP support, the Commission will seek to create and ensure the operation of a national entity to facilitate the participation of the various population groups, including organizations of the civil society and non-governmental organizations (through seminars, workshops, public visits, etc.), in the adoption and coordinated implementation of the National Programme on State Reform and Modernization and the Strengthening of the Rule of Law. The proposed reforms include: decentralization and development of municipalities; modernization of the executive branch; introduction of legislative, electoral, judicial and external-sector reforms; improvement of the system of national accounts and economic statistics; and reform of the telecommunications sector.

15. UNDP cooperation will help develop an efficient public administration based on impartial justice, and modern municipalities in whose work and activities the grass-roots communities will have greater influence and participation, thereby leading to an increase in the rate of social return on public expenditure, greater decentralization and increased citizen participation. In the economic sphere, UNDP support will facilitate deeper economic reforms (in the customs and taxation sectors) and the formulation and implementation of institutional reforms of bodies involved in trade policy, the finalization and enforcement of the Monetary and Financial Code and the tackling of other issues, such as budgetary reform, which could arise in this area. This effort will also include support for sound planning and management of international cooperation through national NaTCAP activities.

16. The modernization of the State and its economic structure should lead to increased professionalism within the Government, thereby enhancing the latter's contribution to the successful undertaking of private-sector activities and to the strengthening of democracy, which will in turn ensure that the benefits derived from UNDP cooperation programmes are sustainable. In addition, by promoting good governance, participation and the creation of an enabling environment for sustainable human development, the above actions are likely to result in a 6 per cent rate of growth over the next five years. The modernization of the public institutions which regulate economic activities and influence them (taxes, foreign trade, telecommunications, budgets, and so on)

should bring about a sustainable decline in unemployment and an increase in efficiency, thereby reversing the negative efficiency trends observed since the 1980s.

## D. Poverty eradication

17. The principal objective of the strategy for combating poverty is to increase the capacity of individuals, particularly in the poorest sectors, to improve their well-being through productive work, based on the active participation of the community and of non-governmental organizations. Experience at the international level has shown that the best way of increasing an individual's productive efficiency is through education and job training. The Dominican Government has demonstrated its commitment to the fight against poverty by pursuing programmes aimed at improving individual productive capacity. In this connection, UNDP has collaborated with both the Government and civil society in identifying strategies and mechanisms to facilitate the effective and equitable implementation of State policies. This collaboration has been instrumental in the preparation of the National Social Development Plan, whose principal aims are the eradication of poverty, the creation of productive jobs and the promotion of social integration. The Plan can be used as the basis for the elaboration of a series of projects aimed at operationalizing it and achieving the objectives of poverty eradication and the creation of productive jobs, through specific activities in those areas of concentration of the 1997-2001 programme that are to benefit from UNDP support.

18. UNDP will continue to support the Government's initiatives and to cooperate in the process of modernization of the health, education and housing sectors. It will also need to strengthen sustainable human development by implementing the sustainable development network programme in the country. With respect to increased individual productivity, UNDP will implement programmes to promote the expansion of the activities of microbusinesses and small enterprises, particularly in those areas most affected by poverty, such as rural areas, in order to create the tools to help individuals improve their living conditions through their own efforts. UNDP will also cooperate in the design and implementation of a local sustainable human development programme in the subregion of Enriquillo, one of the most depressed regions of the country. Efforts funded by international donors have also begun to implement a binational programme covering the frontier regions of the Dominican Republic and Haiti, with the aim of promoting sustainable human development in those areas, taking as a model the PRODERE programme executed in Central America. Intersectoral support will also be provided for programmes and projects which are of benefit to women and improve the capacity of individuals to lead a healthy and safe existence. Specifically, and in fulfilment of the commitments entered into at the Beijing Conference, support will be provided for the Office for the Advancement of Women, with funding from UNDP Special Programme Resources, the United Nations Development Fund for Women (UNIFEM) and the Government, to promote the integration of women into development activities and the advancement of women in general.

19. The Dominican Government hopes that upon completion of the 1997-2001 programme, the country's human development index will be between 0.74 and 0.79.

The execution of programmes for the promotion of employment and own-account work should lead to an increase in per capita income and a decline in the inequality of income distribution. Moreover, the strengthening of the organizational and administrative aspects of microbusinesses and small enterprises should reduce their failure rate (36.54 per cent in the country as a whole). This will stabilize the income levels of many Dominicans and reduce both the percentage of persons with incomes under the poverty line and their social vulnerability.

### E. Environmental management

20. The Dominican Government is totally committed to the objective of protecting and restoring the environment. In this connection, UNDP cooperation can be very useful, particularly in building the institutional capacity to halt the process of environmental degradation and loss of biodiversity. This cooperation should also be extended to non-governmental organizations and community centres to encourage their participation in activities to protect the environment. Efforts will also be made to strengthen the Government's capacity to integrate the concepts of environment and development into the formulation of economic policies, as well as to fulfil the agreements reached at the Earth Summit, through the formulation and implementation of the national Agenda 21.

21. The successful implementation of programmes in this field should improve the prospects for a more sustainable environment in the Dominican Republic. Institution-building is essential in this regard and should take the form of reduced fragmentation of environmental responsibilities. Efforts must also be made to train large numbers of public officials and the staff of non-governmental organizations in the area of environmental restoration and protection, and to ensure compliance with the international agreements on biodiversity, desertification and climate change, and with the Montreal Protocol.

## IV. MANAGEMENT ARRANGEMENTS

22. Execution and implementation. The experience of the fifth programme cycle has demonstrated that national execution is an efficient, effective and flexible modality, which has permitted skills in the field of project design and execution to be transferred to non-governmental organizations. This approach will therefore continue to be used as the principal execution modality.

23. The Government supports the objective of UNDP to deepen its relations with other agencies of the United Nations system and with multilateral funding agencies and bilateral donors. Such coordination of external cooperation will enable UNDP to exploit its comparative advantages in the execution of programmes funded by other financial institutions or donors. Under the national execution modality, the services of other specialized agencies will continue to be used as cooperating agencies. Wherever possible, technical cooperation among developing countries (TCDC) should be used. Collaboration should also take place in the execution of projects and programmes with non-governmental organizations and reputable academic institutions.

24. The adoption of the programme approach will continue to be promoted, and it is hoped that UNDP will provide the Dominican Government with the support that it needs to formulate national programmes that are also consistent with UNDP priority objectives. Such cooperation will include activities aimed at enhancing the country's capacity to mobilize domestic and external resources for programme funding.

25. Programme monitoring and review. An annual programme review will be conducted and a substantive report prepared on the progress of projects and programmes, including their results and impact. This review will enable necessary adjustments to be made in order to achieve the programme's objectives.

26. A biennial review will also be conducted, during which the Resident Representative will make a presentation to the Programme Management Oversight Committee. This review will cover general developments and the impact of the programme as well as management-related aspects and relations with donors, inter alia. The corresponding report will be submitted to the Executive Board of UNDP.

27. Periodic reports will continue to be submitted and tripartite reviews carried out to monitor the progress of projects, using previously established benchmarks. Substantive mid-term reviews will also be conducted of larger-scale projects and programmes. In addition, the living conditions surveys to be carried out by the Government will provide benchmarks for assessing the impact of UNDP activities.

28. All nationally executed projects will be subject to annual or biennual internal audits (depending on the degree of complexity of the project), using, preferably, the services of auditors from the Office of the Comptroller General of the Republic. External audits will be conducted where necessary. The programme will be reviewed in 1999, in conjunction with the Government authorities, in order to assess its relevance.

29. Resource mobilization. The Government is aware that UNDP proposes to mobilize $40.4 million over a five-year period. This amount includes its own core funds, in the amount of $4.5 million, which should be increased as additional funds are allocated under TRAC 1.1.2. The remainder would be obtained from other UNDP resources, from funds of other United Nations agencies (United Nations Children's Fund (UNICEF), Global Environment Facility (GEF), Capacity 21, Montreal Protocol), from bilateral donors with which collaboration is already taking place, from multilateral funding agencies (World Bank, Inter-American Development Bank, European Union) and from government cost-sharing. It should be noted in this connection that the Dominican Government's commitment to provide resources for cost-sharing is a reflection of its commitment to the implementation of the programme and to ensuring the compatibility of the activities proposed with national priorities. The non-core resources yet to be mobilized (nearly $36 million) will be distributed among the three thematic areas of the programme approximately as follows: (a) democratic governance: $7,560,000 (21 per cent); (b) poverty eradication: $21,960,000 (61 per cent); and (c) environmental management: $6,480,000 (18 per cent). The annex contains a breakdown of the resources to be mobilized, by source of funds.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR THE DOMINICAN REPUBLIC (1997-2001)

(In thousands of United States dollars)

| Source | Amount | Comments |
|---|---|---|
| UNDP CORE FUNDS | | |
| Estimated IPF carry-over | (486) | |
| TRAC 1.1.1 | 4 765 | Assigned immediately to country. |
| TRAC 1.1.2 | 0 to 66.7 per cent of TRAC 1.1.1 | This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources. |
| SPPD/STS | 250 | |
| Subtotal | 4 529 | |
| NON-CORE FUNDS | | |
| Government cost-sharing | 25 468 | |
| Sustainable development funds<br>of which:<br>GEF<br>Montreal Protocol<br>Capacity 21 | 1 500<br><br>6 052<br>415<br>950 | |
| Third-party cost-sharing | 1 500 | |
| Funds, trust funds and other<br>of which:<br>Management Development Programme<br>Anti-poverty Strategy Initiative<br>UNIFEM<br>UNV | 1 588<br><br>616<br>300<br>322<br>250 | |
| Subtotal | 35 873 | |
| GRAND TOTAL | 40 402[a] | |

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNIFEM = United Nations Development Fund for Women; and UNV = United Nations Volunteers.

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